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Chapter 7 Trustee
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8 UNITED STATES BANKRUPTCY COURT
9 EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION
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11 In re
12 David R. Michal,
13 Debtor.

Case No. 22-22056-C-7

Chapter 7

DCN: KMT-2

**DECLARATION OF KIMBERLY J.
HUSTED IN SUPPORT OF *EX PARTE*
APPLICATION FOR AUTHORITY TO
ISSUE DISCOVERY PURSUANT TO
FRBP 2004**

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19 I, Kimberly J. Husted, declare as follows:

20 1. I am the Chapter 7 Trustee for the bankruptcy estate of David R. Michal
21 ("Debtor"). Unless stated otherwise, this declaration is based upon my own personal knowledge
22 and if called as a witness, I could and would competently testify to the facts set forth herein. I
23 make this declaration in support of the application for authority to issue discovery. Specifically, I
24 seek to issue discovery to Bank of America, N.A. ("Bank of America"), JP Morgan Chase & Co.
25 ("JP Morgan"), Sierra Central Credit Union ("SCCU"), and Columbia Bank, concerning the
26 Debtor's business dealings, including any entity in which the Debtor or his spouse, Christine
27 Michal, is a signatory, Management Services Company, KRC Partners, Inc., Reaven, Inc., Legacy
28 Partners 314, LLC, DRC Properties, LLC, Asset Management Plus, LLC, Murchison Asset Group,

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DECLARATION OF KIMBERLY J. HUSTED IN SUPPORT OF EX PARTE APPLICATION FOR AUTHORITY
TO ISSUE DISCOVERY PURSUANT TO FRBP 2004

1 LLC, Bulk Home Buyers, LLC, Murchison Group, LLC, Paragon Productions, LLC, On The
2 Beam, LLC, Bulk Home Buyers of Georgia, LLC, Everlasting Investments LLC, Mustard Seed,
3 LLC, Final Draft Brewing Co., LLC, Vision Care Device, LLC, Steeped Coffee, Inc., Infinite
4 Water, Inc., Authentic Sales, LLC, Elias Michal Ventures, LLC, Redding Dev Partners, LLC,
5 Monmouth Holdings, LLC, Eternal Management Solutions, LLC, Tyndale Capital, LLC,
6 Stewardship Partners Group, LLC, East Dev Partners, LLC, Merican Beverage California, LLC,
7 Merican Beverage Company, LLC, Spring Creek, LLC, Triple 7 Ranch, LLC, Daniels Road, LLC,
8 Trinidad Revival, LLC, Liberty Dev Partners, LLC, Blue Gold Capital, LLC, Monmouth Fund,
9 LP, 100XR Ventures, LLC, Ergon Capital Holdings, LLC, Vision Med Capital, LLC, RKC
10 Partners Group, LLC, and Chrave, LLC (collectively, "Entities"), with Bank of America, JP
11 Morgan, SCCU, and Columbia Bank pursuant to Federal Rule of Bankruptcy Procedure 2004
12 ("FRBP 2004").

13 2. The docket reflects that on or about August 18, 2022, the above-captioned
14 bankruptcy case was commenced by the filing of an involuntary Chapter 7 petition. I am the duly
15 appointed Chapter 7 trustee for the Debtor's bankruptcy estate.

16 3. On or about July 14, 2023, the Debtor appeared at his initial 11 U.S.C. section 341
17 meeting of creditors, which was continued to July 24, 2023, August 2, 2023, and is now set for
18 August 31, 2023.

19 4. Through my investigation and questioning the Debtor at his 341 meetings of
20 creditors, I have learned that the Debtor operates through numerous organizations and other
21 entities, including the Entities. The Debtor contends, and has produced diagrams, demonstrating
22 that the Entities operate in a convoluted structure (which include several layers of companies) in
23 which his interest – or that of his wife's interests – stem from various holding companies. These
24 purported holding companies include Reaven, Inc., Legacy Partners 314, LLC, Everlasting
25 Investments, LLC, Mustard Seed, LLC, Eternal Management Solutions, LLC, and Monmouth
26 Holdings, LLC. These holding companies then have an interest in various other Entities.
27 However, it does not appear as though most of the Entities have an operating business. Despite
28 having no operating business, financials produced by the Debtor identify numerous loans issued

1 between many of the Entities and notes payable between the Entities. A copy of a diagram
2 showing Debtor's Entities is filed herewith as **Exhibit A**.

3 5. The money used by the Entities for the loans are apparently from funds invested by
4 numerous investors, some of which have received money back from the companies in which they
5 invested.

6 6. The Debtor represents that the Entities bank with either Bank of America or JP
7 Morgan, and not with any other banking institutions.

8 7. The Debtor has further testified and acknowledged that, at least his spouse, has
9 taken money from deposit accounts from certain of the Entities in an attempt to build a "nest egg."
10 In addition, the Debtor's income is derived from "loans" his wife receives from certain of the
11 Entities. The Debtor has produced financial documents related to these issues which have been
12 from SCCU and Columbia Bank.

13 8. I seek authority to issue discovery to Bank of America, JP Morgan, SCCU, and
14 Columbia Bank regarding the Debtor's business dealings with Bank of America, JP Morgan,
15 SCCU, and Columbia Bank along with the business dealings of the Entities, and any other entity
16 for which the Debtor or his spouse is a signatory. The Debtor's business dealings include
17 investments, accounts (statements, deposits, loans, etc.), loan applications, loan payments, and
18 financial dealings. Based on the above, an order authorizing the discovery is proper under FRBP
19 2004 because such discovery relates to the acts, conduct, and property of the Debtor and affects
20 the administration of the Debtor's estate. The order will allow me to review the Debtor's financial
21 information, assist me with understanding the Debtor's business dealings and financial affairs, and
22 trace potential funds that the Debtor or his spouse has received or has an interest. Finally,
23 discovery is warranted given the numerous claims asserted by investors against the entities being
24 used by the Debtor.

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1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct.

3 Executed this 11 day of August, 2023 at Gold River, California.

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6 KIMBERLY J. HUSTED
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